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Dianne Tidwell
City Secretary
(936) 336-3684

# The City of Liberty

## Liberty Community Development Corporation

## Meeting

## ~ Minutes ~

**Tuesday, January 7, 2014** | **6:00 PM** | **City Council Chambers**

The Liberty Community Development Corporation of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

## I. CALL TO ORDER

| Attendee Name | Title | Status | Arrived |
|---|---|---|---|
| Dennis Beasley | President | Present | |
| Mike McCarty | Vice-President | Absent | |
| Louie Potetz | Board Member | Present | 6:13 PM |
| Barbara Norwood | Board Member | Present | |
| Leslie Herndon | Board Member | Present | |
| David Arnold | Board Member | Present | |
| Mark Campbell | Board Member | Present | |
| Gary Broz | General Manager | Present | |
| Dianne Tidwell | Corp. Secretary | Present | |
| Randy Gunter | City Attorney | Present | |

## II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / CITIZENS FORUM

President Beasley welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Board. There were no comments.

## III. PRESENTATIONS / REPORTS

### 1. LCDC Information Item (ID # 2898)

Financial Report

**COMMENTS - Current Meeting:**

General Manager Gary Broz reported on the balance sheet as of November 30, 2013. Mr. Broz reviewed the current fund balance of $3,385,707 along with current revenues and expenditures. Mr. Broz completed by stating that the Corporation's largest expense, at this time, is payment to the engineers for the Street Extension Project and legal expense for the eminent domain process, which is also related to the Street Extension Project.

### 2. LCDC Information Item (ID # 2899)

Project Updates

**COMMENTS - Current Meeting:**

Mr. Broz reviewed a project report to include sending prospective tenants to various local shopping centers. Mr. Broz has also requested to meet with a developer regarding possible development of property across from Wal-Mart, on the Bypass. Mr. Broz stated that he is staying in constant communication and forwarding information to various businesses that could possibly locate in the City of Liberty. Mr. Broz concluded by stating that the City's property on Hwy. 90, formerly known as Key Energy, has been leased.

# IV. CONSENT AGENDA

All consent items listed are considered to be routine by the LCDC and will be enacted by one motion. There will be no separate discussion of these items unless a Board Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

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| **RESULT:** | **APPROVED [UNANIMOUS]** |
| **MOVER:** | Dennis Beasley, President |
| **SECONDER:** | Leslie Herndon, Board Member |
| **AYES:** | Beasley, Norwood, Herndon, Arnold, Campbell |
| **ABSENT:** | Mike McCarty, Louie Potetz |

### *A. Minutes Approval*

**1.** Thursday, December 05, 2013

# V. REGULAR AGENDA

### *A. Regular Session*

**1. LCDC Corporation Action 2014-1**

Discuss placement of funds in an escrow account for proposed condemnation of property, through the eminent domain process, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

Mr. Broz reported that the eminent domain hearing on the 2.25 acres of property for the street extension project will be held on Wednesday, January 8th at 1:00 p.m. City Attorney Randy Gunter remarked that the City will offer $112,000 for this property based on the recommendation of the City's contract expert. Mr. Gunter explained the hearing process, actors, and that adequate compensation is considered to be fair market value.

Mr. Gunter further explained that this agenda item, if approved, provides that funds be placed in the registry of the court, to be held in trust, to satisfy the result of the legal proceeding. These funds would then be immediately available to fulfill the City’s obligation, if necessary. Lengthy discussion was held regarding comparable property sold on the Bypass, previous appraisal of $98,000, that possible objections can be voiced by either party, appropriate amount of deposit to the registry, and other related issues.

A motion was made to deposit up to $137,000 in the registry of the court for the eminent domain hearing.

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| **RESULT:** | **APPROVED [5 TO 1]** |
| **MOVER:** | Dennis Beasley, President |
| **SECONDER:** | David Arnold, Board Member |
| **AYES:** | Beasley, Norwood, Herndon, Arnold, Campbell |
| **NAYS:** | Louie Potetz |
| **ABSENT:** | Mike McCarty |

### 2. LCDC Corporation Action (ID # 2901)

Consider approval of designating RBC Capital Markets as the Liberty Community Development Corporation's Financial Advisors, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

Mr. Broz reported that RBC Capital Markets have been the City's Financial Advisors since 2010. Due to the proposed issuance of Sales Tax Revenue Bonds for the Street Extension Project, a separate agreement between the Corporation and RBC is required. Mr. Bob Henderson, RBC, explained that previously a subsidiary organization of a municipality would be covered under the City's agreement. However, new federal legislation has deemed that economic development organizations, having independent contracting authority, need to have a separate agreement with the financial advisors.

City Attorney Randy Gunter requested a change in the agreement language in regard to several issues; indemnification of another party and waiver of sovereign immunity. Mr. Gunter explained that in Texas these issues are categorically never approved. Mr. Gunter stated that he supports the designation of RBC as the Corporation's financial advisors and will work with Mr. Henderson to find agreeable language. President Beasley made a motion to approve this document contingent upon language approved by the City Attorney. Motion died for lack of a second.

Further discussion ensued regarding a revised document and a noon meeting, for review and possible action, to be held on Tuesday, January 14, 2014.

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| **RESULT:** | **NO ACTION TAKEN** |

### 3. LCDC Corporation Action (ID # 2902)

Discussion with Financial Advisor Bob Henderson regarding proposed financing of the Street Extension Project, and take any action deemed necessary.

**COMMENTS - Current Meeting:**

Mr. Broz addressed the Board stating he was in receipt of the draft plans for the Street Extension Project. Mr. Broz continued by stating that the project cost estimate is up approximately 9%, from $4.4 million to $4.9 million. Mr. Bob Henderson, RBC Capital Markets, reviewed a plan of finance for this project to include the issuance of sales tax revenue bonds. Mr. Henderson spoke to estimated sources of funding to include a $3 million bond transaction and use of $2.3 million from the LCDC fund balance, for a total of $5.3 million.

Lengthy discussion included that these bonds would be twenty-year bonds, with a 10-year par call, the Corporation receiving a bond rating of A- from Standard & Poor's, average annual debt service with interest calculated at 4.75%, estimated issuance costs, and other related information.

This item will come before the Board, in the near future, after receipt of solid project costs and a final plan of finance.

| **RESULT:** | **NO ACTION TAKEN** |
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# VI. ADJOURNMENT

**1. Motion To:** Adjourn

**COMMENTS - Current Meeting:**

There being no further business before the Board, President Beasley adjourned the meeting at 6:54 p.m.

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Dennis Beasley, President

ATTEST:

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Dianne Tidwell, City Secretary